

| | | |
|--|--|--|
| Maricopa County Policies and Procedures | Subject: Internal Audit Follow-Up Procedures | Number: A1002 Issue Date: 08/96 |
| Approved: David R. Smith | Initiating Department: Internal Audit | |

A. Purpose

To increase the overall effectiveness of County operations by ensuring that audit recommendations are recognized and implemented.

B. Policy

A formal follow-up process will be implemented for all audits performed or coordinated by the Internal Audit Department. The follow-up process consists of a formal Audit Response/Action Plan and Quarterly Status Reports. The Quarterly Status Reports inform the Internal Audit Department and the County Administrative Officer of the auditee's progress--or lack thereof. Follow-up data is subject to verification by the Internal Audit Department.

C. Definitions

N/A

D. Authority and Responsibility

Management is responsible for implementing audit recommendations. Any delays or problems with the implementation of recommendations should be conveyed to the County Auditor through the appropriate levels of County management.

E. Procedures

1. Audit Response/Action Plan

A formal, written response and action plan are required to address all audit report recommendations. For each recommendation, one of the audit response categories described below should be included.

- **Concur--In Process:** The auditee is in the process of implementing the recommendation.
- **Concur--Will Implement:** The auditee agrees with the recommendation and plans to implement it within six months.
- **Concur--Will Implement With Modifications:** The auditee agrees with the observation and will respond to the problem, but not as outlined in the recommendation.
- **Concur--Implementation Not Currently Possible:** The auditee agrees in principle with the recommendation, but is unable to implement it for some reason (for example, budget, staff, or equipment constraints).
- **Do Not Concur:** The auditee disagrees with the recommendation of the County Auditor and does not plan to implement it.

The action plan section of the response should include realistic target dates and significant action steps within each recommendation. Undefined terms, such as "unknown," are not acceptable. Target dates that extend beyond a six month period should be categorized as a "Concur--Implementation Not Currently Possible."

| | | |
|--|--|--|
| Maricopa County Policies and Procedures | Subject: Internal Audit Follow-Up Procedures | Number: A1002 Issue Date: 08/96 |
|--|--|--|

The Audit Response/Action Plan will be returned to the County Auditor within 10 days of receiving the draft audit report. The County Auditor may allow additional time if warranted. The auditee is responsible for routing the Audit Response/Action Plan to the appropriate levels of management for review and signature.

The County Auditor will attach the Audit Response/Action Plan to the final report and submit the report to the Board of Supervisors. The Board may direct the County Auditor to distribute copies of the report to the County Administrative Officer in order to perform follow-up.

2. Quarterly Status Report

For recommendations that remain open, the auditee will submit a Quarterly Status Report to the County Auditor. These reports should be reviewed and signed by the appropriate levels of management.

These reports may be as simple as resubmitting a copy of the Audit Response/Action Plan with comments regarding completed steps. Recommendations that have not been completed must continue on the next Quarterly Status Report. These reports are due at quarterly intervals from the date of the auditee's response.

If a Quarterly Status Report is not received within two weeks of the due date, the County Auditor will send a reminder notice to the auditee. If a Quarterly Status Report is not received within two weeks of the reminder notice, the County Auditor may request that the Board of Supervisors schedule a meeting with the appropriate parties.

Reference:

A1001 Internal Audit Process